

Influence of Corporate Social Responsibilities on Society with Special Reference to Banking Sector

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Abstract – This research paper is study about the Influence of corporate social responsibilities adopted by banking sector on society. Social responsibility of business refer to what business do and it benefit to society. Corporate Social Responsibility is also known as Corporate Conscience or Responsible Business. These research paper is based on secondary data. Now-a-days, corporate society has showing great importance in the corporate world which includes financial institutions and banking sector.

Nowadays, CSR has become very important for every country. After recognizing the importance of CSR, banks implemented social and environmental programs which benefit themselves and society. CSR refers as strategies which Corporations employ to conduct their own business in a way such as ethical, society friendly and beneficial to society in terms of success.

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INTRODUCTION

Banks plays important role in Indian economics by offering various services to people. Banks also plays important role in financial sector like helping people who want to start business or expand business. Banks play a fundamental role in society, such as bank serves and support all type of customers.

The Indian bank are plan and implement several programs such as Educational support, Rural development, Vocational training to unemployed, Exhibition- Physically Challenged people, Free Day Care center, Model Villages etc. The Indian banks are also doing some activities related to the Health like Blood Donation Campaign, Cancer Awareness Campaign, Medical Camps/ Eye Camps, Vehicle to differently able children Schools, Support to HIV/AIDS Awareness programmers in Schools and Villages. The Indian Government and RBI giving awards for CSR such as Global CSR Awards, Golden Peacock Award for CSR, and Asia's Best CSR Practices Awards.

Corporate Social Responsibility (CSR), concept refers as the growing concerns for sustainable development, environmental performance, encompassing pollution control and management of natural resources given mass recognition etc. CSR is also known as corporate conscience, corporate citizenship or sustainable responsible business or Responsible Business. CSR can help to build customer trust and loyalty based on distinctive

ethical values. Government are reducing tax for only those bank who are using CSR method.

CSR goes long way to create positive image for any bank, which includes doing something for society, stakeholders, customers increase banks business and also ensure long term success. CSR plays a key role for making your brand popular among customer.

LITERATURE REVIEW

Emel Esen (2013), in his research paper entitled "The Influence of Corporate Social Responsibility (CSR) Activities on Building Corporate Reputation", he observed that in business environment for shareholders, corporate social responsibility is become series issue to solve. The aim of researcher to find out relationship between CSR and corporate reputation and its role. He also conclude their research information is really useful of managers and directors because they plays an important role in any business sector.

Eliza Sharma and Dr. Mukta Mani (2013), in there research paper entitled "Corporate social responsibility: An analysis of Indian commercial banks", they observed that India banks are giving their efforts in CSR sector. Indian banks have focused on the community welfare and farmers' welfare programs. The public sector banks have highest contribution in CSR activities as compared

to private bank. Private sector and foreign banks are still not performing well in this area.

Deepika Dhingra and Rama Mittal (2014), in their research paper entitled "CSR Practices in Indian Banking Sector", they observed that most of the banks are using corporate social responsibility as a marketing tool. Many banks are making token efforts towards CSR in a tangential ways like giving donations to charitable trusts, NGOs, sponsorship to events or programs, etc. There are only few banks who have clearly defined CSR philosophy. Many banks are providing training to their employee.

Dong-young Kim and JeongYeon Kim (2014), in their research paper entitled "Effects of Corporate Social Responsibility and Governance on Its Credit Ratings", they observed that Corporate social responsibility and governance both factors have significant effect. The research results also show that nonfinancial information have effects on corporate credit rating. The investment on personal data protection is an example of CSR/CGI activities. These example positive effects on corporate credit ratings.

Mrs.V. Carolin Juliya Pushpam, Dr.R. Karthi, and Ms.B. Asha Daisy (2015), in their research paper entitled "Corporate Social Responsibility of Banks in India", they observed that many banks are false report of banks and there are only few banks who are making correct report. Corporate social responsibility (CSR) is a topical and strategic practice for any business. The main purpose of researcher is to study the CSR activities carried by Indian banking sector.

Marian Mocana, Simona Rusa, Anca Draghicia, Larisa Ivascua, Attila Turia (2015), in their research paper entitled "Impact of Corporate Social Responsibility Practices on The Banking Industry in Romania", they studied about various CSR practices in Romania. The activities in Romania is increasingly reliant for environment and society. There activities are increasing business of banking sector. The CSR providing number of benefits to business sector. CSR banking system providing opportunities and giving benefits which includes economic efficiency, improve company reputation, get employee loyalty, communication between the banking industry and society become easy, attracting new customers and increase organizational commitment.

Nidhi (2016), in her research paper entitled "Corporate social responsibilities in Indian banking industry: study on attempts of HDFC bank", she observed that nowadays all banks in India are focused on social responsibility of banking sector. The researcher study about HDFC bank and banks efforts. She observed that HDFC bank are giving importance to social responsibility and focusing on health, education, and sanitation, etc. Indian banks are changing their mind towards corporate social

responsibility due to competition with International level.

Anita Sharma and Dr. Ashok Panigrahi (2016), in their research paper entitled "CSR in Indian Banks and Financial Institutions", they observed that to embrace responsibility social responsibility is a goal-oriented concept for the company's actions. To create positive impact through various activities such as environment, communities, consumers, employees, stakeholders and many more members of the public sphere banks are trying their best.

Muhammed Juman. B K and Dr. J Christopher (2016), in their research paper entitled "Corporate social responsibility: An analysis of Indian Banks", they observed that, in Indian economy banks plays an important role in the development and growth for country. CSR contribution is very important factor for income and size of banks. CSR is important concept society. The researcher defined CSR as an integration of ethical, social, technical, economic, environmental and legal expectation of society from business organization.

Rajul Dutt and Himani Grewal (2018), in their research paper entitled "Corporate Social Responsibility (CSR) in Indian Banking Sector: An Empirical Study on State Bank of India Limited", they observed that banks play an important role in any country for financial improvement. The research conclude that SBI bank are giving outstanding performance as managing relationship between organization and society. The banks are focusing area under CSR such as time to time sanitation, skill development, livelihood creation sector, education sector, sports sector, environment protection etc.

Zainab Al Mubarak, Muneer Al Mubarak, & Anji Benhamed (2018), in their research paper entitled "Impact of corporate social responsibility on bank's corporate image", they observed that CSR has become important part in business sector, they are trying to increase profit and function of business, which create positive impact on society. The businesses are also providing to society a various employment opportunities, sponsorship to education etc. The CSR mainly focus on economic, legal, and ethical components.

Antonio Lorena (2018), in their research paper entitled "The Relation between Corporate Social Responsibility and Bank Reputation: A Review and Roadmap", they study and analyze the relationship between CSR and bank sector. CSR promotes several competitive advantages and most important it provide reputation to bank which help to get customer loyalty and attract new customers. Because of this banks are giving greater attention in CSR and bank relationship.

OBJECTIVE

- To study the concept of corporate social responsibility.
- To study the corporate social responsibilities by Indian banks.
- To study the influence of CSR on society.
- To study the opportunities and challenges for CSR activities.

METHODOLOGY

The present research paper is based on secondary data. The data was collect from different research papers, banks websites, books and news articles. The research paper focused on CSR influence on banking sector.

BANKS IN INDIA:

In India there are 27 public sector banks. From 27 public sector banks 21 banks belongs to Nationalized bank and 6 belongs to State bank group. There are 45 foreign private sector bank, and this foreign bank are supporting Indian banking system. Some Indian banks are described below:

- HDFC Bank
- State Bank of India
- ICICI Bank
- Axis Bank
- Kotak Mahindra Bank
- IndusInd Bank
- Yes Bank
- Punjab National Bank
- Bank Of Baroda
- Bank Of India

1. HDFC Bank

HDFC bank is a private company which comes under financial service industry. The bank was founded in 1994 and headquarter of this bank is in Mumbai, India. HDFC bank providing services like credit cards, consumer banking, banking, insurance, investment banking, mortgage loans, private banking, private equity, wealth management etc. In 2000, HDFC bank get merged with Times bank.

To achieve corporate social responsibility objectives and fulfil the desired result CSR Committee started

to identify, execute and monitor CSR projects and assist the Board. HDFC Bank Limited, is a private sector bank, has spent Rs 535.31 crore on various Corporate Social Responsibility (CSR) activities in year 2018-2019.

2. State Bank of India (SBI)

SBI bank is a public company (Government of India). Headquarter of this bank is in Mumbai and this bank serve all over world. The bank are providing services like consumer banking, corporate banking, finance and insurance, investment banking, mortgage loans, private banking, private equity, savings, securities, asset management, wealth management, credit cards etc.

The banks CSR activities are helping millions of poor people's lives who need help. The main focus of Bank's CSR activities are in Healthcare center, Education, Livelihood, Skill Development, Environment Protection of National Heritage, Empowerment of Women, Youth & Senior Citizens etc. The State Bank of India are spending 1% of its profits on CSR. SBI Foundation was built in year 2015 to perform the CSR activities of SBI Group. Also, SBI bank contributed Rs. 27.47 crore for CSR commitments in the year 2019.

3. ICICI Bank

ICICI bank comes under private sector. The bank was founded in 1994 and headquarter of this bank is in Mumbai. The bank are providing services like credit cards, consumer banking, corporate banking, finance and insurance, investment banking, mortgage loans, private banking, wealth management, personal loans, payment solutions etc.

The Bank has spent 2.1% of its average net profit for last three financial years ending March 2017, March 2018 and March 2019 towards CSR activities. The Bank's expenditures towards CSR during 2020 will be focused on skill development programs such as livelihoods, rural development related activities, providing contributing to the Chief Minister's disaster relief fund in states impacted by floods, awareness campaign on social issues, promoting hygiene, protecting the environment etc.

4. Axis National Bank

Axis bank comes under private sector. The bank was founded in 1993. The bank are providing services like Credit cards, consumer banking, corporate banking, finance and insurance, investment banking, mortgage loans, private banking, private equity, wealth management etc.

The main purpose of the Bank's CSR philosophy is to make a measurable and meaningful impact to the lives of physically economically, and socially

challenge communities of the country. The Bank's CSR activities carried out through direct program implementation by the Bank and its implementation partners, through ABF, by making direct contribution to any Schedule VII Fund, set by the Government. The CSR Committee is the nodal agency which are guiding the Bank for how to implement on CSR Projects. The roles and responsibilities of the CSR Committee has reviewed and approved by the Board of Directors of the Bank.

5. Kotak Mahindra Bank

Kotak Mahindra bank comes under private sector. The banks headquarter is in Mumbai and bank was founded in February 2003. The bank are providing services like Credit cards, Life Insurance, Mutual Funds, Car Finance, Securities, Institutional Equities, Investment Banking, International Business, Kotak Private Equity, Kotak Realty Fund, Wealth Management etc.

In India, CSR has engaged with various phases, such as social community engagement, social responsible production and employee relations. Kotak's CSR focus areas for CSR policies are Education, Enhancing vocational skills and livelihood, Healthcare and sanitation, Reducing inequalities faced by social and economic backward groups, Sustainable development, Relief and rehabilitation, Clean India, Sports etc. Bank are undertaking CSR programmes in both way i.e. directly and through implementation agencies.

6. IndusInd Bank

IndusInd Bank comes under private sector. The banks headquarter is in Pune and bank was founded in 1994. The bank are providing services like Credit cards, Car Loan, Gold Loan, Wealth management, Home Loan, Loan against Property etc. IndusInd Bank is the first new-generation private banks in India.

IndusInd Bank believe that 'Good Ecology is Good Economics'. The main focus of IndusInd Bank's CSR are Environment, Education, Livelihood, Healthcare and Sports etc. The Bank's CSR team, spending their lot of time and effort for monitoring and evaluating the true potential of initiatives.

7. Yes Bank

Yes bank comes under private sector. The banks headquarter is in Mumbai and bank was founded in 2004. The bank are providing services like Investment Banking Solutions, Yes Property Purchase Credit Card, Yes First Corporate Credit Card, Loans, Surplus and Investments, Debt Capital Markets, Digital Banking etc.

Yes Bank was focus areas such as Livelihood and Water Security, Employability and Entrepreneurship,

Environmental Sustainability and Social Transformation. Bank are approaching towards Corporate Social Responsibility, through fulfil CSR objectives such as promote, invest, engage, collaborate, and monitoring these areas.

8. Punjab National Bank

Punjab national bank comes under public sector. The banks headquarter is in New Delhi and bank was founded in April 1895. The bank are providing services like Credit cards, consumer banking, corporate banking, finance and insurance, investment banking, mortgage loans, private banking, private equity, wealth management etc.

The CSR strategy for PNB MetLife focus areas are financial inclusion, Health initiatives, Education and vocational training, Insurance awareness initiatives, Disaster Relief and Rehabilitation activities etc. To launch CSR initiative, bank has joint hand with bank distributors, Jammu & Kashmir Bank Limited (JKB) and Karnataka Bank Limited (KBL). The main purpose of joining hand was to support education and development of underprivileged children.

9. Bank of Baroda

Bank of Baroda comes under public sector. The banks headquarter is in Vadodara and bank was founded in July 1908. The bank are providing services like Credit cards, consumer banking, corporate banking, finance and insurance, investment banking, mortgage loans, private banking, private equity, wealth management etc.

Bank of Baroda is carrying out CSR activities through RSETIs (Rural Self Employment Training Institutes) and FLCC (Financial Literacy and Credit Counseling) centers. CSR activities as Donation and contribution to the socio-economic development areas are Skill development programs through training to Youth, Health care, sanitation, Drinking water facilities, Education, Women empowerment, Social Welfare, Economic Development, and Promotion of Digital payment.

10. Bank of India

Bank of India comes under public sector. The bank headquarter is in Mumbai and bank was founded in September 1906. The bank are providing services like Commercial Banking, Retail Banking, Private Banking, Asset Management, Mortgages, and Credit Cards etc.

CSR initiatives banks are providing facilities like under Swachh Bharat Abhiyan Construction of Toilets for schools and public places, in Rural areas Solar street lights and Hand pump sets, Support to orphaned, and Skill development

training program for SC/ST/OBC and poor peoples.

FINDINGS

1. HDFC bank mission is to contribute economic and social development of community, for that they are using HDFC bank CSR policy. They are also helping physically, socially and economically challenged peoples of society.
2. The focus area of SBI bank CSR activities, are healthcare, education, livelihood, skill development, environment protection of national heritage, empowerment of women, youth, and senior citizens.
3. The focus area of ICICI bank activities are Education under Schedule VII (ii) i.e. Promoting education, Healthcare under Schedule VII (i) i.e. sanitation, safe drinking water etc. Skill development and sustainable livelihoods, financial inclusion under Schedule VII (iii) etc.
4. The Axis bank CSR Policy, guided by the Bank's corporate vision and aspiration so bank can choice customers, shareholders, employees and community. The Bank's CSR Policy has been framed in accordance with Section 135 of the Companies Act 2013.
5. Kotak Mahindra bank are taking various CSR programmes by partnering with NGOs i.e. Olympic Gold Quest, Teach for India, N. M. Sadguru Water & Development Foundation, CanSupport, Dhanwantari Medical Trust etc.
6. IndusInd Bank are supporting culture of sports and fitness, such as by encouraging employees to participate in marathon. The special area of interest of IndusInd bank are armed forces, sports, heritage, arts and culture.
7. Yes Bank collective CSR ability to share resources equitably, accept everyone with same rights, and consistently act with best interest of humanity.
8. Punjab National Bank view CSR as a commitment to operate things economically, socially and environmentally sustainable manner. The bank recognize the interests of its stakeholders which includes investor, customer, employees, business partners, local communities, the environment and society.
9. The bank of Baroda CSR committee enable people and technology to drive innovation, disseminate knowledge, information and creating shared values to improve lives.

Banks CSR programmes and activities supporting Empowerment, Education, Eradication of Poverty, Disaster Relief, Health and other.

10. Banks in India increased their CSR activities, which have a positive impact on their performance of the business, apart from improving their image and goodwill.

CONCLUSION

In banking institutions, there are number of benefits after performing CSR activities such as it provides economic efficiency, it improve bank reputation, bank get employee loyalty, communication between the banking industry and society get easy, attract new customers and increase organizational commitment. These activities also increase bank reputation and help in growth.

CSR is the process where organization plans and works with various stakeholders for the purpose of good society. CSR is not only for charity and donation, it is for fulfilling people's needs and wants. It also support people in their mean time.

In these report we have given information about how Corporate Social Responsibilities (CSR) made place in society and how it influencing society in different way. All banks are trying to give their best performance and for that they are doing charity shows and donations, making various schemes and policy for people etc.

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